

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 151 – HB 381

March 11, 2017

SUMMARY OF BILL: Establishes registration, restraint, operational, and accident requirements for autonomous vehicles to operate on public roads and highways in Tennessee.

Creates the *Safe Automated Vehicles (SAVE) Act* in which motor vehicle manufacturers are eligible to participate in making automated driving system (ADS)-operated vehicles available to the public for operation on the public roads and highways of this state in a manner that is determined by the manufacturer that owns the vehicle and making an on-demand ADS-operated vehicle network available to the public.

Requires the Department of Revenue (DOR) to administer SAVE Act registration. Requires SAVE Act participants to report incident records and provide periodic summaries related to the safety of the participating fleet to the DOR, the Transportation and Safety Committee of the Senate, and the Transportation Committee of the House of Representatives.

Creates a Class A misdemeanor for operating a vehicle without a human located in the driver's seat.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$1,500/FY17-18/Department of Revenue
\$3,000/FY18-19/Department of Revenue
\$4,500/FY19-20/Department of Revenue
\$6,000/FY20-21/Department of Revenue
\$7,500/FY21-22 and Subsequent Years/Department
of Revenue**

**Increase State Expenditures - \$1,500/FY17-18/Department of Revenue
\$3,000/FY18-19/Department of Revenue
\$4,500/FY19-20/Department of Revenue
\$6,000/FY20-21/Department of Revenue
\$7,500/FY21-22 and Subsequent Years/
Department of Revenue**

**\$134,800/FY19-20/General Fund
\$76,300/FY20-21 and Subsequent Years/General Fund**

Assumptions:

- Due to an uncertainty in the timing of automated vehicle technology advancements and its popularity with the public, it is unclear as to the extent an ADS will be made available and the extent to which automated vehicles will be prevalent on the roads and highways of this state. It is reasonably assumed that autonomous vehicles and an ADS will be operated by the general public at a rate that gradually increases over time.
- SAVE Act participation is limited to vehicle manufacturers. Therefore, it is reasonably assumed participants will number 15 annually by FY21-22. Further, it is anticipated that there will be three participants in FY17-18; six by FY18-19; nine by FY19-20; 12 by FY20-21; and 15 beginning in FY21-22 and subsequent years.
- The SAVE Act allows the DOR to establish a fee to be charged to a manufacturer for the operation of a SAVE project. The exact fee DOR will charge a manufacturer for SAVE participation is not known, but is reasonably estimated to be \$500 annually.
- The recurring increase in state fee revenue to the DOR from manufacturer fees is estimated to be \$1,500 in FY17-18 (3 x \$500); \$3,000 in FY18-19 (6 x \$500); \$4,500 in FY19-20 (9 x \$500); \$6,000 in FY20-21 (12 x \$500); and \$7,500 in FY21-22 and subsequent years (15 x \$500).
- Due to relatively low participation numbers, it is reasonably estimated that DOR can execute the SAVE Act provisions without requiring additional staffing resources.
- Any one-time expenditures by DOR for form development is estimated to be not significant; and any IT programming required is assumed to be completed sufficiently by existing state IT personnel. As a result, any one-time state expenditure for startup is considered not significant.
- Recurring administrative costs incurred by the DOR are assumed to be covered by any incoming fee revenue. As a result, the increase in state administrative expenditures are estimated to be \$1,500 in FY17-18; \$3,000 in FY18-19; \$4,500 in FY19-20; \$6,000 in FY20-21; and \$7,500 in FY21-22 and subsequent years.
- It is reasonably assumed that all vehicles will be operated with a human in the driver's seat. As a result there will not be a sufficient number of Class A misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Based on information provided by the Department of Safety (DOS), one additional Tennessee Highway Patrol (THP) Sergeant will be required to fully comply with the provisions of the bill. The THP Sergeant will require a working knowledge of commercial motor vehicle federal regulations, crash investigations, and traffic and motor vehicle laws in both autonomous and traditional vehicles. The additional position will also develop autonomous vehicle policies used throughout the state.
- The recurring increase in state expenditures for one THP Sergeant is estimated as \$76,262 (\$55,181 salary + \$16,081 benefits + \$5,000 AV training)
- The one-time increase in state expenditures for one THP Sergeant is estimated as \$62,500 (\$500 firearm + \$62,000 vehicle).
- However, due to an uncertainty in the timing of automated vehicle technology advancements and its popularity with the public, it is unclear as to when the additional position would be required by the DOS. It is not estimated the additional position will be required immediately or in the upcoming budget year. However it is reasonably

estimated that the demand will be sufficiently met and the position will be required approximately three years out, or by FY19-20. Funding for such position will require appropriations from the General Fund.

- The increase in state expenditures from the General Fund in FY19-20 is estimated to be \$134,762 (\$76,262 + \$62,500); and the recurring increase in state expenditures from the General Fund beginning in FY20-21 is estimated to be \$76,262.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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